

Committee on Appropriations  
Subcommittee on Labor,  
Health and Human Services and  
Education  
Subcommittee on Homeland Security



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Democratic Senior Whip  
Whip, Congressional Hispanic Caucus

**LUCILLE ROYBAL-ALLARD**

34TH DISTRICT, CALIFORNIA

April 22, 2005

Ambassador Peter Allgeier  
Acting United States Trade Representative  
600 17<sup>th</sup> St. NW  
Washington, DC 20508

Dear Ambassador Allgeier:

I am writing to express my strong opposition to the Central American Free Trade Agreement (CAFTA). I am a supporter of trade when it is used to help lift developing countries out of poverty and when it provides jobs with fair wages and protections. However, as negotiated, the CAFTA fails on both counts.

On May 15, 2003, I joined colleagues of the Congressional Hispanic Caucus in sending a letter to U.S. Trade Representative Robert Zoellick regarding concerns we had about the direction the Administration was taking during its negotiations of the Central American Free Trade Agreement. As a signatory to that letter, I urged Ambassador Zoellick to negotiate to strengthen the enforcement of internationally recognized labor rights, such as freedom of association, the right to organize, and to bargain collectively. I regret that U.S. negotiators ignored this critical request and finalized the CAFTA without strong and clear language that would hold the CAFTA countries accountable to such internationally recognized core labor rights.

In addition, I am troubled by the fact that the CAFTA does not adhere to the provisions of the 2002 Trade Promotion Authority, which requires that new U.S. trade agreements not provide greater legal rights to foreign investors than to U.S. investors. Under CAFTA, foreign investors have the right to challenge U.S. laws and regulations if they believe the law negatively impacts their ability to conduct trade. As a result, a foreign investor can seek financial compensation from the U.S. by going through an international arbitration panel. Congress was clear in its opposition to this continued foreign investor overreach of power, and it is disturbing that the Administration has not done a better job of protecting U.S. interests.

In conclusion, I continue to express my support for a U.S. Central American Free Trade Agreement that would protect U.S. interests and create economic opportunities for workers, businesses, and farmers here and in Central America. Such an agreement would help break the cycle of poverty in Central America and serve as a model for hemispheric trade. Unfortunately, the agreement your office has negotiated falls far short of meeting these goals.

Sincerely,

A handwritten signature in cursive script that reads "Lucille Roybal-Allard".

Lucille Roybal-Allard  
Member of Congress